

EXHIBIT A



M E M O R A N D U M

TO: Trail Program Qualifier
FROM: James E. Bellner
DATE: December 14, 2000
SUBJECT: Advisor In Force Trail Program

IMPORTANT ANNOUNCEMENT!

The purpose of this memorandum is to provide you with additional information related to the Advisor In Force Trail Program. As a result of continued input we have received from your Advisors' Association and from many of you, we have made what we believe are several additional improvements to the program.

These changes may impact your decision. It is important you read the following carefully.

Trail Rate

A second option has been added to the program!

FLAT TRAIL RATE → .70%

If you choose this rate, you will receive a .70% trail on the account value for the life of the contracts that remain active in the program.

Choosing this option eliminates a potential decrease to either .65% or .55% if persistency exceeds the target level for the higher rates. But at the same time, it also eliminates the potential of receiving the higher rates of .75% or 1%.

This new option is being introduced to respond to those Advisors who are considering not participating due to the downside risk of the original option.

The original option, which varies by the level of both persistency and sales, will continue to be available.

The following is a summary of the original option.

Non-New York Advisors

	<u>Leaders'</u>	<u>Presidents'</u>
Above Average Persistency (Less than 10% outgo rate)	.75%	1.00%
Average Persistency (Greater than 10% but Less than 15%)	.65%	.75%
Below Average Persistency (Greater than 15%)	.55%	.55%

New York Advisors

	<u>In Force Account Value > \$5 Million</u>	<u>Presidents' (Additional)</u>
Above Average Persistency (Less than 10% outgo rate)	.75%	.25%
Average Persistency (Greater than 10% but Less than 15%)	.65%	.10%
Below Average Persistency (Greater than 15% outgo rate)	.55%	0%

It is important to emphasize that once you have elected one of the two available options – a change will not be permitted. The option you select will impact the first trail payment that will be effective with the 3/15/2001 pay cycle.

Attached you will find a sample projection using the new .70% option along with one at .75% and 1%.

Your Managing Director has been supplied with a new worksheet that has the new option of .70% incorporated.

Election Form

Attached you will find a new election form which has the new .70% option.

Due to the magnitude of the changes to the program, we are requesting that YOU SUBMIT A NEW FORM.

You will be provided a summary of your election, program and loan agreements for signature. It is anticipated that these will begin to be sent to participants in mid-January. On or about February 1, 2001, you will be provided with the list of policies that will be included in the program.

The submission date for the program has been extended to January 15, 2001.

Subsequent Payments

All subsequent payments to policies within the program will contribute in the following way:

- Payments will reduce outgos, dollar for dollar, in determining your outgo rate.

This will thus reduce your outgo rate.

- Example: Outgo's = \$245,000 Payments = \$50,000

Net Outgo's = \$195,000 (\$245,000 – \$50,000)

Class Action Suit

The following wording has been added to the agreement:

"...If an eligible contract is surrendered in connection with the settlement or other disposition of a class action lawsuit involving AFLIAC, such contract shall be excluded in calculating an Agent's persistency for a calendar year if AFLIAC determines that the Agent acted properly in the sale and servicing of the surrendered contract. In addition, any remaining loan amount on such contract will be subtracted from the Agent's total loan balance due. This will be accomplished by determining the ratio of the total original loan to the then current loan balance. This ratio will be multiplied by the original loan on such contract to determine the amount that will be subtracted from the then current loan balance..."

Termination for Cause

In the event an Advisor is terminated for cause, all future trail commissions will cease and no further loan payments will be required. This is a change from the former definition.

Other

The following items are attached:

- **Election Form** – If you wish to participate in the program, complete the form and return by January 15, 2001.
- **Program description** – This has been revised to include the items above.

Worksheet

Your Managing Director has been provided with an updated worksheet. It has been modified to include the option for early payoff.

Promissory Note and Annuity Trail Commission Agreement

Once we have received your completed Election form, you will be sent a formal promissory note and annuity trail commission agreement for your signature.

If we can be of any help with your decision by answering questions, I would encourage you to call Phil Alston (ext. 2629), Phyllis Aiello (ext. 2263) or myself (ext. 2259).